GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

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Electronic and Telecom Manufacturing
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of Communications & Information Technology be pleased to state:
(a) the details of import and export of electronic and telecom items during the last three years and the current year;
(b) whether India is not self sufficient in fulfilling the demands of electronic and telecom equipments indigenously and most of such items are imported particularly from China;
(c) if so, the details thereof and the action taken by the Government to attend the security concerns of imported items;
(d) the steps taken by the Government for domestic manufacturing of electronic and telecom items particularly the mobile handsets manufacturing and the results achieved as a result thereof, so far; and
(e) the details of electronic manufacturing clusters set up in the country, State-wise?

Answer

(a),(b) and (c): The details of import and export of electronic and telecom items during the last three years and current year as well as details of import of these items from China are as under :

Import of electronic and telecom equipment for last 3 years and current year (Values in Million USD)
Year Total Import of electronic and Telecom equipment Import of electronic and Telecom equipment from China % Import of telecom equipments from China Total Export of electronic and Telecom equipment
2013-14 33238.92 17055.37 51% 7842.99
2014-15 37539.99 19727.01 53% 6260.75
2015-16 40939.82 22678.65 55% 5936.06
Apr''16-Sep''16 19614.73 11344.41 58% 2929.00

Source : Directorate General of Commercial Intelligence and Statistics

As per the "National Policy on Electronics" 2012, the demand in the Indian market is expected to reach USD 400 Billion by 2020. At the conventional rate of growth, the domestic production is expected to cater to demand of USD 100 Billion in 2020. The steps taken by the Government in order to address the security concerns of the nation related to telecom and telecom networks are given at Annexure 'A'.

(d): Steps taken by the Government to promote manufacturing of electronic and telecom items are given at Annexure 'B'. As a result of institution of the differential Excise Duty dispensation which was enhanced to 11.5% in favor of domestic mobile handset manufacturers vis-a-vis importers in the Budget 2015-16 and implementation of phased manufacturing roadmap, India has rapidly started attracting investments into this sector. The growth in production of LED/ LCD TVs, LED products and mobile handsets is given below :
Growth in Production of Electronics (Source: MeitY Annual Report 2015-16)
Item Production (2014-15) Production (2015-16) Production Growth (%)
LCD/LED TVs 0.87 crore units 1.2 crore units 38%
Light Emitting Diode (LED) Products ` 2,172 crore `3,590 crore 65%
Mobile Handsets (Nos.) 6 crore unit 11 crore units 83%
Mobile Handsets (Value) `18,900 crore `54,000 crore 185%
(e): The details of Electronic Manufacturing Clusters set up in the country are given at Annexure 'C'.
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Annexure-A
Steps taken by the Government to address the security concerns of the nation related to telecom and telecom networks

(i) The Government has issued the amendment to various telecom licenses (i.e. Access Services, National Long Distance and International Long distance Services Licenses) on 31.05.2011 and Internet Service Providers & VSAT (Very Small Aperture Terminal) service providers Licenses on 03.06.2011 in consultation with Ministry of Home Affairs and Telecom Industry, wherein it is inter-alia mandated that Licensee shall induct only those network elements into his network, which have been got tested as per relevant contemporary Indian or International Security standards by any International Agency/Laboratory of the respective standards. Subsequently, these security guidelines have been included as an integral part of Unified License (UL).
(ii) A pilot lab has already been established at Indian Institute of Science (IISc), Bengaluru to develop security standards, test processes and test tools for telecom equipment testing and security certification.
(iii) The Government has decided to set up Telecom Testing and Security Certification Centre to develop systems, processes, adopt/develop security standards, test tools, etc., for telecom equipment security testing and certification. Based on these standards, processes and tools, the Centre can accredit the test labs for security testing and certification of telecom equipment used by various

Telecom Service Providers.
(iv) Security Concerns are also taken care by the concerned Department, while they frame their Request For Proposal (RFP).
(v) Standardization Testing and Quality Certification (STQC) Directorate of MeitY is the agency for Common Criteria testing for any critical machinery/system/ subsystem. STQC also carries out compliance testing as and when required by the user Department/ Ministry.
(vi) Computer Emergency Response Team-India (CERT-In) of MeitY issues periodic advisories concerning the known vulnerabilities and the action required to be taken.
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Annexure-B

Steps taken by the Government to promote electronics and telecom manufacturing in the country

1. Promotion of electronics hardware manufacturing is one of the pillars of Digital India campaign of the Government.
2. The National Policy on Electronics (NPE 2012) was notified in October 2012 with the vision to create a globally competitive electronics design and manufacturing industry to meet the country"s needs and serve the international market.
3. Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the Electronics Systems Design and Manufacturing (ESDM) sector. The scheme was notified in July 2012. The scheme provides subsidy for investments in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs. The scheme is available for both new projects and expansion projects. For high technology and high capital investment units such as Fabs, production subsidy @10% is also provided.
4. Electronics Manufacturing Clusters (EMC) Scheme provides financial assistance for creating world-class infrastructure for electronics manufacturing units. The assistance for the projects for setting up of Greenfield Electronics Manufacturing Clusters is 50% of the project cost subject to a ceiling of ` 50 Crore for 100 acres of land. For larger areas, pro-rata ceiling applies. For lower extent, the extent of support would be decided by the Steering Committee for Clusters (SCC) subject to the ceiling of ` 50 Crore. For setting up of Brownfield Electronics Manufacturing Cluster, 75% of the cost of infrastructure, subject to a ceiling of ` 50 Crore is provided.
5. Policy for providing preference to domestically manufactured electronic and telecom products in Government procurement is under implementation.
6. Approvals for all foreign direct investment up-to 100% in the electronic hardware manufacturing sector are under the automatic route.
7. For promotion of exports in the sector, Merchandise Exports from India Scheme (MEIS) and Export Promotion Capital Goods (EPCG) Scheme are available under the Foreign Trade Policy, 2015-20. MEIS offers export incentives so as to offset disabilities of manufacturing. The export incentive for electronic goods is available @ 2-3% of FOB value of export. Zero duty EPCG scheme allows import of capital goods at zero customs duty, subject to specified export obligation.
8. Under the Electronics Hardware Technology Park (EHTP) Scheme, approved units are allowed duty free import of goods required by them for carrying on export activities, CST reimbursement and excise duty exemption on procurement of indigenously available goods, as per the Foreign Trade Policy.
9. Tariff Structure has been rationalized to promote indigenous manufacturing of electronic goods, including inter-alia Televisions, Electronic Components, Set Top Boxes, LED Products, Medical Electronics, Solar PV Cells and Microwave Ovens.
10. To promote indigenous manufacturing of Televisions, baggage rules have been amended to ban duty free import of Flat Panel Television Sets w.e.f. August 2014 under the baggage allowance.
11. Mandatory compliance to safety standards has been notified for identified Electronic Products with the objective to curb import of sub-standard and unsafe electronics goods. As of now, 30 electronic products are under the ambit of this Order.
12. Government has imposed basic custom duty at 10% on specified telecommunication products that are outside the purview of the Information Technology Agreement and has also imposed education cess on imported electronic products to provide parity between domestically produced goods and imported goods.
13. Excise Duty structure for mobile handsets has been changed from 1% without CENVAT credit or 6% with CENVAT credit to 1% without CENVAT credit or 12.5% with CENVAT credit.
14. Telecommunications Standards Development Society, India (TSDSI)- an industry led autonomous "not for profit" Standards Development Organization (SDO) for Telecom products and services has been set up for the development of standards for telecom especially suited to Indian environment and incorporation of the same in the International standards. This will help Indian companies to develop standards for telecom products and services for Indian specific environment, which is expected to promote indigenous R&D and manufacturing.
Skill Development
15. Two Schemes for skill development of 90,000 and 3,28,000 persons, respectively in the electronics sector has been approved to provide human resource for the industry.
16. The Scheme to enhance the number of PhDs in the Electronic System Design and Manufacturing (ESDM) and IT/IT Enabled Services (ITES) sectors has been approved. 3000 PhDs are proposed to be supported under the Scheme.

Promotion of Innovation and R&D

17. Electronic Development Fund (EDF) policy has been operationalized to support Daughter Funds in the area of Electronics System Design and Manufacturing, Nano-electronics and IT. The fund is housed in Canbank Venture Capital Fund Ltd. The supported Daughter Funds will promote innovation, R&D, product development and within the country.
18. Keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector, Conditional Access System, entitled iCAS has been developed to promote indigenous manufacturing of Set Top Boxes (STBs). The iCAS is available to domestic STB manufacturers at a price of USD 0.5 per license for a period of three years as against market price of USD 4-5 per license for other competing products. The implementation of iCAS in the cable networks has already started.
19. An Electropreneur park has set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.

20. National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystems; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.
21. National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
22. Centre for Excellence on Internet of Things (IoT) has been set up in Bengaluru jointly with NASSCOM.
23. An Incubation center with focus on medical electronics has been set up at Indian Institute of Technology-Patna.
24. An Incubation Center at Kochi with focus on consumer electronics is being set up at IIITM.
25. The Ministry of Electronics and Information Technology (MeitY) provides funding under several schemes for promotion of R&D, including support for International Patents in Electronics & IT (SIP-EIT); Multiplier Grants Scheme and Scheme for Technology Incubation and Development of Entrepreneurs (TIDE) in the area of Electronics, ICT and Management.
26. MeitY has approved a project to be implemented by Global Innovation and Technology Alliance (GITA) to promote Innovation, IP, R&D and commercialization of products, etc. in the ESDM sector by providing funding support to an Industry, for doing collaborative research with an Academic Institute in the priority areas with a timeline of not more than two years.
27. MeitY has approved a project being implemented by Biotechnology Industry Research Assistance Council (BIRAC) to promote scientific and technological research in Medical Electronics sector in India to address the pressing challenges associated with the development of innovative medical electronics and making it available, accessible and affordable to the people at the bottom of the pyramid.
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Annexure-C
Details of Electronic Manufacturing Clusters (EMCs) accorded final approval
State Location of EMC Area (Acres) Applicant
(Chief Promoter/ Special Purpose Vehicle (SPV)) Financial out lay
(` in crore)
Project
Cost Grant in Aid (GIA)
1 Andhra Pradesh Chilamathur, Anantapur District 47.32 ELCINA RAAGA MAYURI Electronics Park Private Limited 52.13 23.00
2 Andhra Pradesh Village-Cherivi, Satyavedu Mandal,
Chittor District 94 Sri City Pvt. Ltd. 56.75 27.34
3 Chhattisgarh Village-Tuta, Sector-22, Naya Raipur, Raipur District 69.98 Chhattisgarh State Industrial Development Corporation Ltd. (CSIDC) 89.23

43.08

4 Gujarat Village-Tunda, Taluka- Mundra, District-Kutch 631.38 Mundra Solar Techno park Private Limited (MSTPL) 745.14 315.69
5 Jharkhand Adityapur,
Saraikela-Kharsawan
District 82.49 Adityapur Industrial Area
Development Authority (AIADA) 97.88 41.48
6 Karnataka
(CFC) Plot No. 360, KIADB Industrial Area, Hebbal, Hottagalli, Mysore 1.11 Mysore ESDM Cluster Private Limited 29.53 21.31
7 Kerala Kakkanad Village, Kanayannur Taluk, Ernakulam District 66.87 Kerala Industrial Infrastructure Development Corporation (KINFRA) 140.01 50
8
Madhya Pradesh Badwai-Bhopal 50 Madhya Pradesh State Electronics Development Corporation Ltd.(MPSEDC)
46.16 20.86
9 Madhya Pradesh Purva-Jabalpur
40 38.01 17.76
10 Odisha Infovalley at Bhubaneswar Industrial Area, Khurda District 203.367 Odisha Industrial development Corporation (IDCO) 200.76 93.09
11 Rajasthan SPL-1, Salarpur, Khushkera, Bhiwadi 50.3 ELCINA Electronics Manufacturing Cluster Pvt. Ltd (EEMCPL) 46.09 20.24
12 West Bengal Sector-IV & V, Falta Industrial Centre, P.S Ramnagar, District South 24 Parganas 58.04 West Bengal Electronics Industry Development Corporation Limited (WEBEL) 58.86 26.52
13 West Bengal Naihati town, North 24 Parganas in district
70 West Bengal Electronics Industry Development Corporation Limited (WEBEL) 58.31 25.70

Details of Electronic Manufacturing Clusters (EMCs) accorded In-principle approval
State Location
of EMC Proposed area of EMC
(Acres) Applicant
(Chief Promoter/ Special Purpose Vehicle (SPV)) Financial out lay
(` in crore)
Estimated Cost Grant in Aid (GIA)
1 Andhra Pradesh Village-Gurramapalem, Pendurthi Mandal, District-Visakhapatnam 98 Andhra Pradesh Industrial Infrastructure Corporation ltd. (APIIC) 66.98 31.18
2 Andhra Pradesh Vikruthamala Village, Yerpadu Mandal, Chittor District 501.40 Andhra Pradesh Industrial Infrastructure Corporation ltd. (APIIC) 323.62 153.45
3 Andhra Pradesh Tirupati, Renigunta Mandal , Chittor District 122 Celkon Impex Pvt. Ltd. 102.74 50
4 Bihar Abgilla village, Gaurichak district, Patna 21.11 A.V.Ispat Pvt. Ltd. 33.78 16.89

5 Goa Village-Tuem , Taluka Pernem Goa 99.73 Department of Information Technology, Government of Goa 130.25

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6 Gujarat Village-Khoraj, Taluk Sanand, District-Ahmadabad 190.40 Gujarat Industrial Development Corporation (GIDC) 314.53 95.20
7 Rajasthan Karoli Industrial Area, Bhiwadi, District-Alwar 122.15 Rajasthan State Industrial Development &Investment Corporation Ltd. (RIICO) 79.29 30.83
8 Tamil Nadu Annur Taluk, Coimbatore, 157.71 ADD Industrial Park(Tamil Nadu) ltd. 169.82 61.15
9 Telangana
e-city Hyderabad 602.37 Telangana State Industrial Infrastructure Corporation Ltd.(TSIIC) 552.78 264
10 Telangana Maheshwaram, 310.00 Telangana State Industrial Infrastructure Corporation Ltd.(TSIIC) 342.91 110.90
11 Uttar Pradesh Plot No. 6/A, sector-24, Yamuna Expressway, Greater Noida 100 U.P Electronics Corporation Limited (UPLC) 100 47.56
12 Uttar Pradesh Greater Noida 100 UP Development System Corp. Limited (UPDESCO) 71.42 34.29
13 Uttar Pradesh Plot No. 3/A, Sector 24, Yamuna Expressway 105 U.P Electronics Corporation Limited (UPLC) 125.95 52.50
14 Karnataka (CFC) Electronic City, Bangalore 1.167 ELCIA ESDM Pvt. Ltd. 85.15 50
15 Maharashtra
(CFC) Pimpri Industrial Area, Pune 0.61 MCCIA Electronic Cluster Foundation 66.10 49.10
16 Maharashtra
(CFC) Shendra Industrial Area, Aurangabad 2.00 Deogiri Electronics Cluster Pvt. Ltd. 43.88 31.93

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